

AN ACT

ENTITLED, An Act revise and clarify certain provisions relating to the Health and Education Facilities Authority.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 1-16A-19 be amended to read as follows:

1-16A-19. The authority may invest any funds, including funds made available to the authority pursuant to § 1-16A-75, in the following:

- (1) Bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully guaranteed or insured by, the United States of America;
- (2) In obligations issued by or obligations the principal of and interest on which are fully guaranteed or insured by any agency or instrumentality of the United States of America;
- (3) In certificates of deposit or time deposits constituting direct obligations of any bank which is a "qualified public depository" or any savings and loan association which is a "savings and loan depository" under the Public Deposit Insurance Act pursuant to chapter 4-6A, unless sufficient volume of such certificates is not available at competitive interest rates. In that event, the authority may purchase noncollateralized direct obligations of any bank or savings institution or holding company if such institution or holding company is rated in the highest two quality categories by a nationally recognized rating agency;
- (4) In obligations of any solvent insurance company or other corporation or business entity existing under the laws of the United States or any state thereof, provided the obligation of such insurance company or other corporation or business entity shall be rated in the two highest classifications established by a standard rating service of insurance companies or a nationally recognized rating agency;
- (5) In short term discount obligations of the Federal National Mortgage Association;

- (6) In obligations issued by any state of the United States or any political subdivision, public instrumentality, or public authority of any state of the United States, which obligations are not callable before the date the principal thereof will be required to be paid and which obligations are fully secured as to both sufficiency and timely payment by, and payable solely from, securities described in subdivision (1) and which obligations are rated in the highest investment classification by at least two standard rating services of such obligations.

Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the authority, the funds so invested will be required for expenditure. The express judgment of the authority as to the time when any funds will be required for expenditure or be redeemable is final and conclusive. Investment in any obligation enumerated in this section may be made either directly or in the form of securities of, or other interests in, an investment company registered under the Federal Investment Act of 1940, whose shares are registered under the Federal Securities Act of 1933 and whose investments are limited to these obligations.

Section 2. That § 1-16A-31 be amended to read as follows:

1-16A-31. The authority shall have the power, together with all powers incidental thereto or necessary for the performance thereof, to make loans to or for the benefit of any participating health institution or participating educational institution, as the case may be, for the cost of the facilities in accordance with an agreement between the authority and such participating health institution or participating educational institution, as the case may be. No such loan may exceed the total cost of such facilities as determined by such participating health institution or participating educational institution, as the case may be, and approved by the authority. Such loans may be made to an entity affiliated with a participating health institution or participating educational institution, as the case may

be, if the proceeds of such loans are made available to or otherwise applied for the benefit of such participating health institution or participating educational institution, as the case may be.

Section 3. That § 1-16A-32 be amended to read as follows:

1-16A-32. The authority shall have the power, together with all powers incidental thereto or necessary for the performance thereof, to make loans to or for the benefit of a participating health institution or participating educational institution, as the case may be, to refund outstanding obligations, mortgages or advances issued, made or given by such institution for the cost of its facilities including the function to issue bonds and make loans to a participating health institution or participating educational institution, as the case may be, to refinance indebtedness incurred for facilities undertaken and completed prior to or after the enactment of this chapter whenever the authority finds that such financing is in the public interest, alleviates the financial hardship upon the participating health institution or participating educational institution, as the case may be, and results in a lesser cost of patient care or cost of education and a saving to third parties, including state or federal governments, and to others who must pay for such care or education. Such loans may be made to any entity affiliated with a participating health institution or participating educational institution, as the case may be, if the proceeds of such loans are made available to or otherwise applied for the benefit of such participating health institution or participating educational institution, as the case may be.

An Act revise and clarify certain provisions relating to the Health and Education Facilities Authority.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 115

\_\_\_\_\_  
Secretary of the Senate  
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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 115

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_ ,

19\_\_ at \_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 19\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 19\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State